

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Education, to which was referred House Bill No. 1273, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 4-4-28-16, AS AMENDED BY P.L.289-2001,
- 4 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 5 UPON PASSAGE]: Sec. 16. (a) Money withdrawn from an individual's
- 6 account is not subject to taxation under IC 6-3-1 through IC 6-3-7 if the
- 7 money is used for at least one (1) of the following:
- 8 (1) To pay for costs (including tuition, laboratory costs, books,
- 9 computer costs, and other costs) at an accredited institution of
- 10 higher education or a vocational school for the individual or for
- 11 a dependent of the individual.
- 12 (2) To pay for the costs (including tuition, laboratory costs, books,
- 13 computer costs, and other costs) associated with an accredited or
- 14 a licensed training program that may lead to employment for the
- 15 individual or for a dependent of the individual.
- 16 (3) To purchase a primary residence for the individual or for a
- 17 dependent of the individual or to reduce the principal amount
- 18 owed on a primary residence that was purchased by the individual
- 19 or a dependent of the individual with money from an individual
- 20 development account.
- 21 (4) To begin or to purchase part or all of a business or to expand

- 1 an existing small business.
- 2 ~~(5) To roll over the account under subsection (c) into a family~~
- 3 ~~college savings account program established under IC 21-9-3.~~
- 4 (b) At the time of requesting authorization under section 15 of this
- 5 chapter to withdraw money from an individual's account under
- 6 subsection (a)(4), the individual must provide the community
- 7 development corporation with a business plan that:
- 8 (1) is approved by:
- 9 (A) a financial institution; or
- 10 (B) a nonprofit loan fund that has demonstrated fiduciary
- 11 stability;
- 12 (2) includes a description of services or goods to be sold, a
- 13 marketing plan, and projected financial statements; and
- 14 (3) may require the individual to obtain the assistance of an
- 15 experienced business advisor.
- 16 ~~(c) Upon the expiration of the term of the individual's account under~~
- 17 ~~this chapter, an individual may elect to roll over the money from the~~
- 18 ~~individual's account directly into a family college savings account~~
- 19 ~~program established under IC 21-9-3."~~
- 20 Renumber all SECTIONS consecutively.
- (Reference is to HB 1273 as printed January 23, 2002.)

and when so amended that said bill do pass .

Committee Vote: Yeas 9, Nays 0.

Senator Lubbers, Chairperson